

**SSB 5940 - S AMD 331**

By Senators Hobbs, Keiser, Litzow

ADOPTED 04/11/2012

1  
2           Strike everything after the enacting clause and insert the  
3 following:

4  
5           "NEW SECTION.   **Sec. 1.** (1) The legislature finds that:

6           (a) Each year, nearly one billion dollars in public funds are  
7 spent on the purchase of employee insurance benefits for more than two  
8 hundred thousand public school employees and their dependents;

9           (b) The legislature and school districts and their employees need  
10 better information to improve current practices and inform future  
11 decisions with regard to health insurance benefits;

12           (c) Recent work by the state auditor's office and the state health  
13 care authority have advanced discussions throughout the state on  
14 opportunities to improve the current system; and

15           (d) Two major themes have emerged:   (i) The state, school  
16 districts, and employees need better information and data to make  
17 better health insurance purchasing decisions within the K-12 system;  
18 (ii) affordability is a significant concern for all employees,  
19 especially for employees seeking full family insurance coverage and  
20 for the lowest-paid and part-time employees.

21           (2) The legislature establishes the following goals:

22           (a) Improve the transparency of health benefit plan claims and  
23 financial data to assure prudent and efficient use of taxpayers' funds  
24 at the state and local levels;

25           (b) Create greater affordability for full family coverage and  
26 greater equity between premium costs for full family coverage and for  
27 employee only coverage for the same health benefit plan;

1 (c) Promote health care innovations and cost savings, and  
2 significantly reduce administrative costs; and

3 (d) Provide greater parity in state allocations for state employee  
4 and K-12 employee health benefits.

5 (3) The legislature intends to retain current collective  
6 bargaining for benefits, and retain state, school district, and  
7 employee contributions to benefits.

8  
9 **Sec. 2.** RCW 28A.400.280 and 2011 c 269 s 1 are each amended to  
10 read as follows:

11 (1) Except as provided in subsection (2) of this section, school  
12 districts may provide employer fringe benefit contributions after  
13 October 1, 1990, only for basic benefits. However, school districts  
14 may continue payments under contracts with employees or benefit  
15 providers in effect on April 13, 1990, until the contract expires.

16 (2) School districts may provide employer contributions after  
17 October 1, 1990, for optional benefit plans, in addition to basic  
18 benefits, only for employees included in pooling arrangements under  
19 this subsection. Optional benefits may include direct agreements as  
20 defined in chapter 48.150 RCW, but may not include employee  
21 beneficiary accounts that can be liquidated by the employee on  
22 termination of employment. Optional benefit plans may be offered only  
23 if:

24 (a) The school district pools benefit allocations among employees  
25 using a pooling arrangement that includes at least one employee  
26 bargaining unit and/or all nonbargaining group employees;

27 (b) Each full-time employee included in the pooling arrangement is  
28 offered basic benefits, including coverage for dependents(~~(, without a~~  
29 ~~payroll deduction for premium charges))~~);

30 (c) Each employee included in the pooling arrangement who elects  
31 medical benefit coverage pays a minimum premium charge subject to  
32 collective bargaining under chapter 41.59 or 41.56 RCW;

33 (d) The employee premiums are structured to ensure employees  
34 selecting richer benefit plans pay the higher premium;

1 (e) Each full-time employee included in the pooling arrangement,  
2 regardless of the number of dependents receiving basic coverage,  
3 receives the same additional employer contribution for other coverage  
4 or optional benefits; and

5 ~~((d))~~ (f) For part-time employees included in the pooling  
6 arrangement, participation in optional benefit plans shall be governed  
7 by the same eligibility criteria and/or proration of employer  
8 contributions used for allocations for basic benefits.

9 (3) Savings accruing to school districts due to limitations on  
10 benefit options under this section shall be pooled and made available  
11 by the districts to reduce out-of-pocket premium expenses for  
12 employees needing basic coverage for dependents. School districts are  
13 not intended to divert state benefit allocations for other purposes.

14  
15 **Sec. 3.** RCW 28A.400.350 and 2011 c 269 s 2 are each amended to  
16 read as follows:

17 (1) The board of directors of any of the state's school districts  
18 or educational service districts may make available liability, life,  
19 health, health care, accident, disability, and salary protection or  
20 insurance, direct agreements as defined in chapter 48.150 RCW, or any  
21 one of, or a combination of the types of employee benefits enumerated  
22 in this subsection, or any other type of insurance or protection, for  
23 the members of the boards of directors, the students, and employees of  
24 the school district or educational service district, and their  
25 dependents. Such coverage may be provided by contracts or agreements  
26 with private carriers, with the state health care authority after July  
27 1, 1990, pursuant to the approval of the authority administrator, or  
28 through self-insurance or self-funding pursuant to chapter 48.62 RCW,  
29 or in any other manner authorized by law. Any direct agreement must  
30 comply with RCW 48.150.050.

31 (2) Whenever funds are available for these purposes the board of  
32 directors of the school district or educational service district may  
33 contribute all or a part of the cost of such protection or insurance  
34 for the employees of their respective school districts or educational

1 service districts and their dependents. The premiums on such  
2 liability insurance shall be borne by the school district or  
3 educational service district.

4 After October 1, 1990, school districts may not contribute to any  
5 employee protection or insurance other than liability insurance unless  
6 the district's employee benefit plan conforms to RCW 28A.400.275 and  
7 28A.400.280.

8 (3) For school board members, educational service district board  
9 members, and students, the premiums due on such protection or  
10 insurance shall be borne by the assenting school board member,  
11 educational service district board member, or student. The school  
12 district or educational service district may contribute all or part of  
13 the costs, including the premiums, of life, health, health care,  
14 accident or disability insurance which shall be offered to all  
15 students participating in interschool activities on the behalf of or  
16 as representative of their school, school district, or educational  
17 service district. The school district board of directors and the  
18 educational service district board may require any student  
19 participating in extracurricular interschool activities to, as a  
20 condition of participation, document evidence of insurance or purchase  
21 insurance that will provide adequate coverage, as determined by the  
22 school district board of directors or the educational service district  
23 board, for medical expenses incurred as a result of injury sustained  
24 while participating in the extracurricular activity. In establishing  
25 such a requirement, the district shall adopt regulations for waiving  
26 or reducing the premiums of such coverage as may be offered through  
27 the school district or educational service district to students  
28 participating in extracurricular activities, for those students whose  
29 families, by reason of their low income, would have difficulty paying  
30 the entire amount of such insurance premiums. The district board  
31 shall adopt regulations for waiving or reducing the insurance coverage  
32 requirements for low-income students in order to assure such students  
33 are not prohibited from participating in extracurricular interschool  
34 activities.

1 (4) All contracts or agreements for insurance or protection  
2 written to take advantage of the provisions of this section shall  
3 provide that the beneficiaries of such contracts may utilize on an  
4 equal participation basis the services of those practitioners licensed  
5 pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

6 (5) School districts offering medical, vision, and dental benefits  
7 shall:

8 (a) Offer a high deductible health plan option with a health  
9 savings account that conforms to section 223, part VII of subchapter 1  
10 of the internal revenue code of 1986. School districts shall comply  
11 with all applicable federal standards related to the establishment of  
12 health savings accounts;

13 (b) Make progress toward employee premiums that are established to  
14 ensure that full family coverage premiums are not more than three  
15 times the premiums for employees purchasing single coverage for the  
16 same coverage plan, unless a subsequent premium differential target is  
17 defined as a result of the review and subsequent actions described in  
18 section 6 of this act;

19 (c) Offer employees at least one health benefit plan that is not a  
20 high deductible health plan offered in conjunction with a health  
21 savings account in which the employee share of the premium cost for a  
22 full-time employee, regardless of whether the employee chooses  
23 employee-only coverage or coverage that includes dependents, does not  
24 exceed the share of premium cost paid by state employees during the  
25 state employee benefits year that started immediately prior to the  
26 school year.

27 (6) All contracts or agreements for employee benefits must be held  
28 to responsible contracting standards, meaning a fair, prudent, and  
29 accountable competitive procedure for procuring services that includes  
30 an open competitive process, except where an open process would  
31 compromise cost-effective purchasing, with documentation justifying  
32 the approach.

33 (7) School districts offering medical, vision, and dental benefits  
34 shall also make progress on promoting health care innovations and cost

1 savings and significantly reduce administrative costs.

2 (8) All contracts or agreements for insurance or protection  
3 described in this section shall be in compliance with this act.

4 (9) Upon notification from the office of the insurance  
5 commissioner of a school district's substantial noncompliance with the  
6 data reporting requirements of RCW 28A.400.275, and the failure is due  
7 to the action or inaction of the school district, and if the  
8 noncompliance has occurred for two reporting periods, the  
9 superintendent is authorized and required to limit the school  
10 district's authority provided in subsection (1) of this section  
11 regarding employee health benefits to the provision of health benefit  
12 coverage provided by the state health care authority.

13  
14 **Sec. 4.** RCW 28A.400.275 and 1990 1st ex.s. c 11 s 5 are each  
15 amended to read as follows:

16 (1) Any contract or agreement for employee benefits executed after  
17 April 13, 1990, between a school district and a benefit provider or  
18 employee bargaining unit is null and void unless it contains an  
19 agreement to abide by state laws relating to school district employee  
20 benefits. The term of the contract or agreement may not exceed one  
21 year.

22 (2) School districts and their benefit providers shall annually  
23 submit, by a date determined by the office of the insurance  
24 commissioner, the following information and data for the prior  
25 calendar year to the ((Washington state health care authority a  
26 summary descriptions of all benefits offered under the district's  
27 employee benefit plan. The districts shall also submit data to the  
28 health care authority specifying the total number of employees and,  
29 for each employee, types of coverage or benefits received including  
30 numbers of covered dependents, the number of eligible dependents, the  
31 amount of the district's contribution, additional premium costs paid  
32 by the employee through payroll deductions, and the age and sex of the  
33 employee and each dependent.))

1 office of the insurance commissioner:

2 (a) Progress by the district and its benefit providers toward  
3 greater affordability for full family coverage, health care cost  
4 savings, and significantly reduced administrative costs;

5 (b) Compliance with the requirement to provide a high deductible  
6 health plan option with a health savings account;

7 (c) An overall plan summary including the following:

8 (i) The financial plan structure and overall performance of each  
9 health plan including:

10 (A) Total premium expenses;

11 (B) Total claims expenses;

12 (C) Claims reserves; and

13 (D) Plan administration expenses, including compensation paid to  
14 brokers;

15 (ii) A description of the plan's use of innovative health plan  
16 features designed to reduce health benefit premium growth and reduce  
17 utilization of unnecessary health services including but not limited  
18 to the use of enrollee health assessments or health coach services,  
19 care management for high cost or high-risk enrollees, medical or  
20 health home payment mechanisms, and plan features designed to create  
21 incentives for improved personal health behaviors;

22 (iii) Data to provide an understanding of employee health benefit  
23 plan coverage and costs, including: The total number of employees  
24 and, for each employee, the employee's full-time equivalent status,  
25 types of coverage or benefits received including numbers of covered  
26 dependents, the number of eligible dependents, the amount of the  
27 district's contribution to premium, additional premium costs paid by  
28 the employee through payroll deductions, and the age and sex of the  
29 employee and each dependent;

30 (iv) Data necessary for school districts to more effectively and  
31 competitively manage and procure health insurance plans for employees.  
32 The data must include, but not be limited to, the following:

33 (A) A summary of the benefit packages offered to each group of  
34 district employees, including covered benefits, employee deductibles,

1 coinsurance and copayments, and the number of employees and their  
2 dependents in each benefit package;

3 (B) Aggregated employee and dependent demographic information,  
4 including age band and gender, by insurance tier and by benefit  
5 package;

6 (C) Total claim payments by benefit package, including premiums  
7 paid, inpatient facility claims paid, outpatient facility claims paid,  
8 physician claims paid, pharmacy claims paid, capitation amounts paid,  
9 and other claims paid;

10 (D) Total premiums paid by benefit package;

11 (E) A listing of large claims defined as annual amounts paid in  
12 excess of one hundred thousand dollars including the amount paid, the  
13 member enrollment status, and the primary diagnosis.

14 (3) Annually, school districts and their benefit providers shall  
15 jointly report to the office of the insurance commissioner on their  
16 health insurance-related efforts and achievements to:

17 (a) Significantly reduce administrative costs for school  
18 districts;

19 (b) Improve customer service;

20 (c) Reduce differential plan premium rates between employee only  
21 and family health benefit premiums;

22 (d) Protect access to coverage for part-time K-12 employees+.

23 (4) The ((~~plan descriptions and the~~)) information and data shall  
24 be submitted in a format and according to a schedule established by  
25 the ((~~health care authority~~)) office of the insurance commissioner  
26 under section 5 of this act to enable the commissioner to meet the  
27 reporting obligations under that section.

28 ((~~+3~~)) (5) Any benefit provider offering a benefit plan by  
29 contract or agreement with a school district under subsection (1) of  
30 this section shall ((~~agree to~~)) make available to the school district  
31 the benefit plan descriptions and, where available, the demographic  
32 information on plan subscribers that the district ((~~is~~)) and benefit  
33 provider are required to report to the ((~~Washington state health care~~  
34 authority)) office of the insurance commissioner under this section.

1       (~~(4)~~) (6) This section shall not apply to benefit plans offered  
2 in the 1989-90 school year.

3  
4       NEW SECTION.   **Sec. 5.** A new section is added to chapter 48.02 RCW  
5 to read as follows:

6       (1) For purposes of this section, "benefit provider" has the same  
7 meaning as provided in RCW 28A.400.270.

8       (2)(a) By December 1, 2013, and December 1st of each year  
9 thereafter, the commissioner shall submit a report to the governor,  
10 the health care authority, and the legislature on school district  
11 health insurance benefits. The report shall be available to the  
12 public on the commissioner's web site. The confidentiality of  
13 personally identifiable district employee data shall be safeguarded  
14 consistent with the provisions of RCW 42.56.400(21).

15       (b) The report shall include a summary of each school district's  
16 health insurance benefit plans and each district's aggregated  
17 financial data and other information as required in RCW 28A.400.275.

18       (3) The commissioner shall collect data from school districts or  
19 their benefit providers to fulfill the requirements of this section.  
20 The commissioner may adopt rules necessary to implement the data  
21 submission requirements under this section and RCW 28A.400.275,  
22 including, but not limited to, the format, timing of data reporting,  
23 data elements, data standards, instructions, definitions, and data  
24 sources.

25       (4) In fulfilling the duties under this act, the commissioner  
26 shall consult with school district representatives to ensure that the  
27 data and reports from benefit providers will give individual school  
28 districts sufficient information to enhance districts' ability to  
29 understand, manage, and seek competitive alternatives for health  
30 insurance coverage for their employees.

31       (5) If the commissioner determines that a school district has not  
32 substantially complied with the reporting requirements of RCW  
33 28A.400.275, and the failure is due to the action or inaction of the  
34

1 school district, the commissioner will inform the superintendent of  
2 public instruction of the noncompliance.

3 (6) Data, information, and documents, other than those described  
4 in subsection (2) of this section, that are provided by a school  
5 district or an entity providing coverage pursuant to this section are  
6 exempt from public inspection and copying under this act and chapters  
7 42.17A and 42.56 RCW.

8 (7) If a school district or benefit provider does not comply with  
9 the data reporting requirements of this section or RCW 28A.400.275,  
10 and the failure is due to the actions of an entity providing coverage  
11 authorized under Title 48 RCW, the commissioner may take enforcement  
12 actions under this chapter.

13 (8) The commissioner may enter into one or more personal services  
14 contracts with third-party contractors to provide services necessary  
15 to accomplish the commissioner's responsibilities under this act.

16  
17 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW  
18 to read as follows:

19 By June 1, 2015, the health care authority must report to the  
20 governor, legislature, and joint legislative audit and review  
21 committee the following duties and analyses, based on two years of  
22 reports on school district health benefits submitted to it by the  
23 office of the insurance commissioner:

24 (1) The director shall establish a specific target to realize the  
25 goal of greater equity between premium costs for full family coverage  
26 and employee only coverage for the same health benefit plan. In  
27 developing this target, the director shall consider the  
28 appropriateness of the three-to-one ratio of employee premium costs  
29 between full family coverage and employee only coverage, and consider  
30 alternatives based on the data and information received from the  
31 office of the insurance commissioner.

32 (2) The director shall also study and report the advantages and  
33 disadvantages to the state, local school districts, and district  
34 employees:

1 (a) Whether better progress on the legislative goals could be  
2 achieved through consolidation of school district health insurance  
3 purchasing through a single consolidated school employee health  
4 benefits purchasing plan;

5 (b) Whether better progress on the legislative goals could be  
6 achieved by consolidating K-12 health insurance purchasing through the  
7 public employees' benefits board program, and whether consolidation  
8 into the public employees' benefits board program would be preferable  
9 to the creation of a consolidated school employee health benefits  
10 purchasing plan;

11 (c) Whether certificated or classified employees, as separate  
12 groups, would be better served by purchasing health insurance through  
13 a single consolidated school employee health benefits purchasing plan  
14 or through participation in the public employees' benefits board  
15 program; and

16 (d) Analyses shall include implications of taking any of the  
17 actions described in (a) through (c) of this subsection to include, at  
18 a minimum, the following: The costs for the state and school  
19 employees, impacts for existing purchasing programs, a proposed  
20 timeline for the implementation of any recommended actions.

21  
22 NEW SECTION. **Sec. 7.** A new section is added to chapter 44.28 RCW  
23 to read as follows:

24 (1) By December 31, 2015, the joint committee must review the  
25 reports on school district health benefits submitted to it by the  
26 office of the insurance commissioner and the health care authority and  
27 report to the legislature on the progress by school districts and  
28 their benefit providers in meeting the following legislative goals to:

29 (a) Improve the transparency of health benefit plan claims and  
30 financial data to assure prudent and efficient use of taxpayers' funds  
31 at the state and local levels;

32 (b) Create greater affordability for full family coverage and  
33 greater equity between premium costs for full family coverage and  
34 employee only coverage for the same health benefit plan;

1 (c) Promote health care innovations and cost savings and  
2 significantly reduce administrative costs.

3 (2) The joint committee shall also make a recommendation regarding  
4 a specific target to realize the goal in subsection (1)(b) of this  
5 section.

6 (3) The joint committee shall report on the status of individual  
7 school districts' progress in achieving the goals in subsection (1) of  
8 this section.

9 (4)(a) In the 2015-2016 school year, the joint committee shall  
10 determine which school districts have met the requirements of RCW  
11 28A.400.350 (5) and (6), and shall rank order these districts from  
12 highest to lowest in term of their performance in meeting the  
13 requirements.

14 (b)The joint committee shall then allocate performance grants to  
15 the highest performing districts from a performance fund of five  
16 million dollars appropriated by the legislature for this purpose.  
17 Performance grants shall be used by school districts only to reduce  
18 employee health insurance co-payments and deductibles. In determining  
19 the number of school districts to receive awards, the joint committee  
20 must consider the impact of the award on district employee co-payments  
21 and deductibles in such a manner that the award amounts have a  
22 meaningful impact.

23 (5)If the joint committee determines that districts and their  
24 benefit providers have not made adequate progress, in the judgment of  
25 the joint committee, in achieving one or more of the legislative goals  
26 in subsection (1) of this section, the joint committee report to the  
27 legislature must contain advantages, disadvantages, and  
28 recommendations on the following:

29 (a) Why adequate progress has not been made, to the extent the  
30 joint committee is able to determine the reason or reasons for the  
31 insufficient progress;

32 (b) What legislative or agency actions would help remove barriers  
33 to improvement;

34

1 (c) Whether school district health insurance purchasing should be  
2 accomplished through a single consolidated school employee health  
3 benefits purchasing plan;

4 (d) Whether school district health insurance purchasing should be  
5 accomplished through the public employees' benefits board program, and  
6 whether consolidation into the public employees' benefits board  
7 program would be preferable to the creation of a consolidated school  
8 employee health benefits purchasing plan; and

9 (e) Whether certificated or classified employees, as separate  
10 groups, would be better served by purchasing health insurance through  
11 a single consolidated school employee health benefits purchasing plan  
12 or through participation in the public employees' benefits board  
13 program.

14 (6) The report shall contain any legislation necessary to  
15 implement the recommendations of the joint committee.

16 (7) The legislature shall take all steps necessary to implement  
17 the recommendations of the joint committee unless the legislature  
18 adopts alternative strategies to meet its goals during the 2016  
19 session.

20  
21 **Sec. 8.** RCW 42.56.400 and 2012 c 222 s 2 are each amended to read  
22 as follows:

23 The following information relating to insurance and financial  
24 institutions is exempt from disclosure under this chapter:

25 (1) Records maintained by the board of industrial insurance  
26 appeals that are related to appeals of crime victims' compensation  
27 claims filed with the board under RCW 7.68.110;

28 (2) Information obtained and exempted or withheld from public  
29 inspection by the health care authority under RCW 41.05.026, whether  
30 retained by the authority, transferred to another state purchased  
31 health care program by the authority, or transferred by the authority  
32 to a technical review committee created to facilitate the development,  
33 acquisition, or implementation of state purchased health care under  
34 chapter 41.05 RCW;

1 (3) The names and individual identification data of either all  
2 owners or all insureds, or both, received by the insurance  
3 commissioner under chapter 48.102 RCW;

4 (4) Information provided under RCW 48.30A.045 through 48.30A.060;

5 (5) Information provided under RCW 48.05.510 through 48.05.535,  
6 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and  
7 48.46.600 through 48.46.625;

8 (6) Examination reports and information obtained by the department  
9 of financial institutions from banks under RCW 30.04.075, from savings  
10 banks under RCW 32.04.220, from savings and loan associations under  
11 RCW 33.04.110, from credit unions under RCW 31.12.565, from check  
12 cashers and sellers under RCW 31.45.030(3), and from securities  
13 brokers and investment advisers under RCW 21.20.100, all of which is  
14 confidential and privileged information;

15 (7) Information provided to the insurance commissioner under RCW  
16 48.110.040(3);

17 (8) Documents, materials, or information obtained by the insurance  
18 commissioner under RCW 48.02.065, all of which are confidential and  
19 privileged;

20 (9) Confidential proprietary and trade secret information provided  
21 to the commissioner under RCW 48.31C.020 through 48.31C.050 and  
22 48.31C.070;

23 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and  
24 7.70.140 that, alone or in combination with any other data, may reveal  
25 the identity of a claimant, health care provider, health care  
26 facility, insuring entity, or self-insurer involved in a particular  
27 claim or a collection of claims. For the purposes of this subsection:

28 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).

29 (b) "Health care facility" has the same meaning as in RCW  
30 48.140.010(6).

31 (c) "Health care provider" has the same meaning as in RCW  
32 48.140.010(7).

33 (d) "Insuring entity" has the same meaning as in RCW  
34 48.140.010(8).

1 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);  
2 (11) Documents, materials, or information obtained by the  
3 insurance commissioner under RCW 48.135.060;  
4 (12) Documents, materials, or information obtained by the  
5 insurance commissioner under RCW 48.37.060;  
6 (13) Confidential and privileged documents obtained or produced by  
7 the insurance commissioner and identified in RCW 48.37.080;  
8 (14) Documents, materials, or information obtained by the  
9 insurance commissioner under RCW 48.37.140;  
10 (15) Documents, materials, or information obtained by the  
11 insurance commissioner under RCW 48.17.595;  
12 (16) Documents, materials, or information obtained by the  
13 insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and  
14 (7)(a)(ii);  
15 (17) Documents, materials, or information obtained by the  
16 insurance commissioner in the commissioner's capacity as receiver  
17 under RCW 48.31.025 and 48.99.017, which are records under the  
18 jurisdiction and control of the receivership court. The commissioner  
19 is not required to search for, log, produce, or otherwise comply with  
20 the public records act for any records that the commissioner obtains  
21 under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a  
22 receiver, except as directed by the receivership court;  
23 (18) Documents, materials, or information obtained by the  
24 insurance commissioner under RCW 48.13.151;  
25 (19) Data, information, and documents provided by a carrier  
26 pursuant to section 1, chapter 172, Laws of 2010; (~~and~~)  
27 (20) Information in a filing of usage-based insurance about the  
28 usage-based component of the rate pursuant to RCW 48.19.040(5)(b); and  
29 (21) Data, information, and documents, other than those described  
30 in section 5(2) of this act, that are submitted to the office of the  
31 insurance commissioner by an entity providing health care coverage  
32 pursuant to RCW 28A.400.275 and section 5 of this act.

33  
34

1        NEW SECTION.    **Sec. 9.**    A new section is added to chapter 48.62 RCW  
2 to read as follows:

3        If an individual or joint local government self-insured health and  
4 welfare benefits program formed by a school district or educational  
5 service district does not comply with the data reporting requirements  
6 of RCW 28A.400.275 and section 5 of this act, the self-insured health  
7 and welfare benefits program is no longer authorized to operate in the  
8 state. The state risk manager shall notify the state auditor and the  
9 attorney general of the violation and the attorney general, on behalf  
10 of the state risk manager, must take all necessary action to terminate  
11 the operation of the self-insured health and welfare benefits  
12 program."

14    SSB 5940 - S AMD  
15        By Senator

16  
17    On page 1, line 1 of the title, after "benefits;" strike the remainder  
18 of the title and insert "amending RCW 28A.400.280, 28A.400.350,  
19 28A.400.275, and 42.56.400; adding a new section to chapter 48.02 RCW;  
20 adding a new section to chapter 41.05 RCW; adding a new section to  
21 chapter 44.28 RCW; adding a new section to chapter 48.62 RCW; and  
22 creating a new section."

EFFECT:

- Modifies some of the reporting and contract requirements
- Removes a school employees' benefit technical working group,
- Adds a review by the Joint Legislative Audit and Review Committee (JLARC) due December 2015, to review the data collected by OIC, assess progress in meeting the requirements and goals and provide recommendations on advantages, disadvantages, and other recommendations on the progress made
- Adds a review by the Health Care Authority establishing targets to realize greater equity, assess whether progress on legislative goals could be achieved through consolidation
- Removes additional appropriations for school employee benefit

--- END ---